

ING Bank

Simplifying Large Scale Transformations



Profile

The ING Group is a true Tier 1 global financial institution with a strong European base and retail and commercial banking operations across the world. It serves a customer base of over 32 million, comprising individuals, families, small businesses, large corporations, institutions and governments, through a global network that spans 40 countries and employs more than 53,000 people. It is the 9th largest European bank by market capitalization and the 26th most valuable brand in the world, according to the most recent ranking by The Brand Finance Banking 500. ING is also currently the number one 'diversified financials' company in the Dow Jones Sustainability Index.

Overview

Commercial Banking is one of the most ambitious programs at The ING Group. In early 2013, ING in partnership with Infosys Finacle embarked on a massive exercise to transform its commercial banking operations in 28 countries, spread across 3 continents. ING had chosen Finacle as the Global Account Management System that would provide the foundation for all current, savings and deposit account processing in its banking network spanning Europe, Asia and the US. The transformation involved the implementation of Finacle Enterprise version 11.0 deposit modules along with the integration framework and modularization capabilities. The project represented the first full-fledged implementation of Finacle 11E in Linux and in Oracle VMware that relied extensively on methodologies like Agile and Proof of Usability.

Key Business Drivers

The technology landscape at ING featured multiple legacy components that not only impeded scalability but were also driving up maintenance costs. The general lack of standardization also created multiple operational challenges for the bank including drawn-out time-to-market for new product launches.

ING wanted to standardize all offerings and solutions around the key program objectives of maximizing customer-centricity and operational efficiency. The plan was to leverage the robust account management modules and the multi-entity feature of Finacle to unify multi-country operations under one entity with a unified database. Apart from delivering significant

savings in infrastructure, this approach would also unify the commercial banking product portfolio across different markets and enable ING to accelerate time-to-market for new products.

Implementation

For Team Infosys Finacle, the ING commercial banking transformation program was the **first full-fledged agile implementation** to use a 'fail fast, recover and leap forward' philosophy that enabled a fortnightly sprint cycle for delivery. This was also the first project to extensively and successfully use the **Proof of Usability PoU** model.

Proof of Usability (PoU): The Proof of Usability model has been extensively applied to define the boundaries of scope and to enable more meticulous requirements gathering. Under this model, ING would share its future/end-state business cases for the account management engine. Team Infosys Finacle would then configure these use cases to demonstrate the applicability as well as the best practices of solution processing in Finacle. By creating business process maps, for actual business use cases, in ARIS tool and Finacle-configured products, Team Infosys was able to build a more effective client engagement model right from Day One of the project. This execution-led approach was instrumental in enhancing client confidence in Finacle's capabilities and features. This also meant that the client's team was introduced early on to Finacle, which brought more clarity and transparency to subsequent interactions to define and control requirements.

The PoU model not only ensured that requirement line items were perfectly

aligned with Finacle capabilities but also helped minimize the number of gaps required. By applying the 3D principle of 'Do, Defer, Drop', Team Infosys Finacle was able to crash the customization phase by 25% in terms of person days.

Agile Methodology: The ING transformation program started in the traditional waterfall model but switched to the Agile model after three months of project execution. The approach combined Agile best practices like Scrum, iterative delivery and test-driven development with Infosys Agile concepts of risk management, function point estimation and CMMI process model.

Based on the incremental development principle, the project's overall delivery requirements were broken down into sets of work items that would be completed in two-week sprint cycles. This meant that the team had two weeks for each phase of the development process, such as requirement analysis and design, coding and testing, and system and integration testing. The initial focus was on implementing basic out-of-the-box functionalities. This was followed by an incremental building process that added or enhanced functionalities based on their relevance to the business case being executed in that particular sprint cycle.

Adopting a Frequent Visual Process (FVP) model for sprint delivery ensured that codes could be tested independently and the progress of the customization phase could be visually depicted. The Agile model not only helped the project team to maintain an atomic and componentized delivery schedule but also resulted in a more flexible and nimble approach to talent management.

Business and Operational Benefits

By using the PoU model to tightly align requirements with capabilities, the team was able to significantly reduce the time, cost and effort of customization. Nearly 85% of the project's requirements were delivered using the out-of-the-box capabilities of Finacle. This meant that the Total Cost of Ownership of the transformation could be significantly reduced without compromising the delivery of any of the stated business requirements.

Post-transformation, product managers will be empowered to take new and innovative products to market in a matter of **days rather than the months** it used to take with the previous legacy systems. The time taken to open an account is expected to **drop from two days to ten minutes**. ING CB will also be able to offer white label and intraday liquidity services to their corporate and FI customers, neither of which was possible with the previous system.

The automation and simplification of processes as part of the transformation will not only result in enhanced customer satisfaction but also increased operational efficiencies. Back office productivity, for instance, is expected to significantly improve with the automation of the customer query and dispute resolution systems. Reconciliation between nostro, nostro mirror and internal accounts, which used to be an extremely time consuming process, will also be completely streamlined.

Following the go-live of the transformed commercial banking model in Ireland, ING has also been able to launch the transformed bank for Payments & Cash Management (PCM). This represents a major milestone in the target operating model for its commercial banking business as it involves the consolidation of new client services, operations, finance and the agile methodology team. This also marks the centralization of the first of ING's many commercial banking markets into the harmonized product catalog operated by the bank's product management.

A joint effort by ING Bank's product management, IT blueprint experts and finance produced a full payment finance control model. This model consist of a clear booking pattern per transactions type throughout both the IT systems and the ledger that is required for reconciliation, inquiries and investigations.

In Summary

The ING Commercial Banking Business transformation program has started with Ireland as the first country to go-live. The project involves 28 country rollouts and the replacement of different legacy systems in different countries, and is expected to be completed by 2018. One of the key challenges of the transformation was to ensure buy-in from all stakeholders for standardizing requirements without diluting business functionality. By harnessing development concepts like Proof of Usability and Agile, Team Infosys Finacle has been able to deliver the transformation in a time and cost efficient way, while enabling the functionalities required for The ING Group to innovate and grow their commercial banking business.

About Infosys Finacle

Finacle is the industry-leading universal banking solution from EdgeVerve Systems, a wholly owned subsidiary of Infosys. The solution helps financial institutions develop deeper connections with stakeholders, power continuous innovation and accelerate growth in the digital world. Today, Finacle is the choice of banks across 84 countries and serves over 547 million customers – nearly 16.5 percent of the world's adult banked population.

Finacle solutions address the core banking, e-banking, mobile banking, CRM, payments, treasury, origination, liquidity management, Islamic banking, wealth management, and analytics needs of financial institutions worldwide. Assessment of the top 1000 world banks reveals that banks powered by Finacle enjoy 50 percent higher returns on assets, 30 percent higher returns on capital, and 8.1 percent points lesser costs to income than others.



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